

THE TORONTO STOCK EXCHANGE

8/3/73

FILING STATEMENT NO. 1860.
FILED, MARCH 19th, 1973.

file

CONSOLIDATED DURHAM MINES & RESOURCES LIMITED

Full corporate name of Company
Incorporated under Part XI of The Companies Act of Ontario by
Letters Patent dated September 25, 1945

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	See Schedule "A" on page 4.
2. Head office address and any other office address.	Head Office: 607-80 Richmond St. W., Toronto, Ont. Mine Office: Prince William, New Brunswick
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	<p><u>President and Director</u> - Wm. C. Durham, Apt. 112, 40 Glen Road, Toronto, Ontario - Registered Representative of C. J. Hodgson Securities Ltd. (formerly Grant Johnston Limited), Toronto, stockbrokers, since August 1969; prior to which, for more than five years, he held the same position with G. W. Nicholson & Company Limited, Toronto, stockbrokers.</p> <p><u>Vice-President and Director</u> - F. D. Corman, 5090 Lakeshore Rd., Burlington, Ontario - Geologist, President of NBU Mines Limited and Noble Mines & Oils Ltd. and director and officer of other resource companies. From August 1965 to May 1968, executive of Morgan, Ostiguy & Hudon Inc., Toronto, stockbrokers.</p> <p><u>Vice-President, International Operations and Director</u> - A. H. Lundin, Chemin des Princes 8C, Vesenaz, Geneva, Switzerland - Director of First Investors International Mining & Petroleum Fund, Geneva, Switzerland; prior to which he was Assistant Director of Centre d'Etudes Industrielles, Geneva, international management development institute.</p> <p><u>Secretary-Treasurer and Director</u> - J. B. Sage, 51 Winston Grove, Toronto, Ontario - Secretary-Treasurer of Spooner Mines and Oils Limited, Noble Mines & Oils Ltd. and other resource companies. From April 1962 to April 1969, Assistant Secretary of Kerr Addison Mines Limited.</p> <p><u>Controller and Director</u> - A. G. Matthew, 1649 Sherway Drive, Mississauga, Ontario - Controller of Spooner Mines and Oils Limited and other resource companies. From 1968 to June 1971, Coal Accountant with McIntyre Porcupine Mines Ltd. Prior to 1968, Assistant Manager - Accounting for the Glidden Division of SCM Canada Ltd.</p> <p><u>Director</u> - W. M. Connor, 22 Great Oak Drive, Islington, Ontario - Secretary and Treasurer of Sinclair & Valentine Company of Canada, Limited, Toronto, manufacturers of printing inks, and has been for the last five years.</p> <p><u>Director</u> - J. R. Keighley, 9 Wainwright Avenue, Bay Ridge, Annapolis, Md. 21403, U.S.A. - Geological Consultant.</p>

4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 7,500,000 Shares - Without Par Value Issued: 4,141,416 Shares - Without Par Value
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	See Schedule "B" on pages 5 and 6.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "C" on pages 7 and 8.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	See Schedule "D" on page 9.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	<p><u>Use of Proceeds:</u></p> <p>The \$250,000 provided by the lenders referred to in Items No. 1(a) and No. 5(c) of this Filing Statement has been put to use by the Corporation, as recommended by Mr. D. R. Wilson, P. Eng., to introduce water pollution controls required by the New Brunswick Water Authority and to implement certain mill design changes during a three-month shutdown period beginning July 6, 1972.</p>
	<p><u>Operations Profits:</u></p> <p>On October 3, 1972, the Corporation was able to recommence production which since then has produced a site operating profit of approximately \$18,000 in each of the months of October and November, notwithstanding that this was still the "breaking-in" period. In December, the site operating profit increased to approximately \$75,000 and in January 1973 to \$127,000 after adjustments for final concentrate settlements. The proceeds from production are being used for normal monthly operating costs, including further underground development and shaft sinking to confirm the size of drill-indicated ore reserves, as well as for the payment of administrative charges and some bank interest. As the Corporation's cash flow begins to accumulate from month to month, it is anticipated that certain of the loans will be repaid and the deferred liabilities could be reduced on a pro-rata basis in accordance with the Proposal.</p>
	<p><u>Concentrates Sales:</u></p> <p>The Corporation has arranged firm sales contracts covering its antimony concentrates production for at least the next four months at prices ranging between \$9.25 and \$10.50 per metric ton unit. The Corporation's policy is to continue to arrange sales contracts only on a three to four months basis.</p>

10. Brief statement of company's chief development work during past year.

Production:

During the period December 15, 1971 to July 6, 1972 the Corporation produced 1,620 metric tons of concentrate containing an average of approximately 64% antimony metal. Following a three-month shutdown for renovations, as referred to previously herein, production from October 3, to December 31, 1972 was 1,032 metric tons of concentrate averaging 66.74% antimony. During January 1973, the Corporation produced 462 metric tons of concentrate averaging 65.29% antimony and it is anticipated that at least an average 400 metric tons per month will be maintained in future.

Development and Plant:

During the period July 1, 1972 to January 31, 1973, development costs, other than work done simultaneously and in conjunction with production, were as follows:

Water pollution control project	\$ 52,162
Underground development (to September 30, 1973)	84,929
Collar and headframe materials	19,121
Mine machinery and equipment	17,975
Mill modifications and repairs	80,264
Other surface improvements	5,116
General machinery and equipment	<u>8,057</u>
	<u>\$267,624</u>

11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.

Not applicable.

12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.

Not applicable.

13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.

300,500 shares of the capital of the Corporation are held in escrow by the Guaranty Trust Company of Canada in Toronto, subject to release only upon the written consents of the Ontario Securities Commission and the Board of Directors of the Corporation, and subject to transfer, hypothecation, assignment or any other form of alienation only upon the written consent of the Ontario Securities Commission.

Upon receipt of notice from the Ontario Securities Commission that a request for release had been received by them from another party, the Corporation has given its consent and is in the process of applying for the consent of the Ontario Securities Commission to the release of the escrowed shares.

SCHEDULE "A"

- a) Issuance of 500,000 shares to the twelve participants in the Loan Agreement dated June 30, 1972 as shown hereunder;

<u>Shares</u>	<u>Names</u>
50,000	Allan B. Block
25,000	Robert J. Armstrong
50,000	Chapco Investment Corporation Limited
50,000	NBU Mines Limited
25,000	John B. Sage
25,000	A. George Matthew
50,000	F. Dale Corman
50,000	Hector M. Chisholm & Co. Limited
50,000	James Nemis
50,000	A. J. Fisher
50,000	V. A. Oille
<u>25,000</u>	V. Noble Harbinson
<u>500,000</u>	

On application under Section 59, the Ontario Securities Commission ruled on February 8, 1973 that the issuance of 500,000 shares of Consolidated Durham Mines & Resources Limited to the foregoing participants would be deemed not to be in distribution to the public and registration would not be required, but that resale would require individual applications under Section 59 to the Commission, after the Corporation has filed, and had accepted, a filing statement with The Toronto Stock Exchange. (Refer also to Item No. 5)

- b) Issuance of 78,125 shares to Spooner Mines and Oils Limited in settlement of \$25,000 advanced in 1970 to initiate the Corporation's drilling programme. The shareholders of the Corporation confirmed the allotment of these shares at a meeting duly held on September 2, 1970, but issuance of the shares was deferred at the request of the allottee.
- c) Issuance of 26,250 shares to Chapco Investment Corporation Limited for management and office services rendered at a fee of \$8,400 during 1967 through 1969. In July 1970, the Ontario Securities Commission ruled that the allotment and issuance would not be considered as primary distribution but that resale would be of primary distribution. At the request of the allottee, issuance of the shares was deferred.
- d) The granting of and/or amendment of options on 87,000 shares in accordance with the Corporation's Incentive Stock Option Plan. (Refer also to Items No. 6 and No. 7)

SCHEDULE "B"

a) Operating Under Trusteeship:

The Corporation has applied for and received the approval of its creditors and the Supreme Court of the Province of New Brunswick of a Proposal, dated April 14, 1972 providing for continuation of its operations under a Trusteeship in accordance with the Bankruptcy Act. Under this Proposal liabilities totalling \$1,881,150 have been deferred until December 31, 1975 or such earlier date as the Corporation is able to pay them. Interest is being accrued on these liabilities at the rate of 9% per annum but is not payable until after all of the deferred liabilities have been paid. Current liabilities incurred after the Proposal date are to be settled before any deferred liabilities under the Proposal are paid.

A committee of five creditors has been appointed which, in conjunction with Mr. J. G. Touchie of the firm of Lee & Martin, Chartered Accountants, Moncton, New Brunswick, as Trustee under the Proposal, have the powers to supervise and control the Corporation's affairs until all payments under the Proposal are made in accordance with its terms.

The five Inspectors are:

Name	Representing
Ronald Campbell P. Eng.	Atlantic Building Contractors (a substantial creditor)
John Kilburn	President, Remrose & Kilburn (a substantial creditor)
V. Noble Harbinson	President, Spooner Mines and Oils Limited (a substantial creditor)
Ian D. Cameron	Assistant Deputy Minister of Finance and Secretary of the Loan Board, Province of New Brunswick.
Graham Morrison	Associate Director of Taxation, Department of National Revenue St. John, New Brunswick.

b) Bank Loan (Guaranteed):

The Corporation has received bank loans totalling \$750,000 of which \$600,000 is included in deferred liabilities. These loans are guaranteed by the Province of New Brunswick and, under an agreement dated November 15, 1971, as amended June 2, 1972, the Province has been issued a debenture secured by a first mortgage and floating charge on all the assets of the Corporation, excluding its inventory of concentrates. The Province's guarantee and the bank loan, in an amount not to exceed \$900,000, have been extended to December 31, 1973. A meeting of the creditors is presently being arranged by the Trustee to ratify an amendment to the Proposal in this regard under which arrangements would be made to pay the bank interest on a more current basis.

c) Special Loan:

Since June 30, 1972 the Corporation, with the approval of the Trustee, borrowed a total of \$250,000 from twelve participants which is to be repaid in preference to all deferred liabilities, including bank loans, in accordance with the terms of the Proposal to creditors. The relevant promissory notes bear interest at the rate of 8% per annum and mature on June 30, 1973. In consideration for each unit of \$25,000 (or \$12,500) borrowed, the Corporation agreed to arrange the issuance of 50,000 (or 25,000 as the case may be) fully paid and non-assessable shares of the Corporation.

This special loan was initiated as a result of a meeting of the Inspectors and the Trustee on June 22, 1972 at which The New Brunswick Water Authority advised that the Corporation's licence to produce (which had expired on June 15, 1972) would only be continued on a day-to-day basis until the Corporation introduced certain water pollution controls they required. In the face of this ultimatum a decision was taken to have the Corporation introduce the controls and also implement certain mill design changes during this time interval. The Corporation's consulting engineer, Mr. D. R. Wilson estimated the expenses involved at \$250,000. The precarious financial position of the Corporation at the time made it impossible for it to obtain financing on normal terms. Rather than offer a staggering rate of interest to compensate for the risk, the Inspectors and Trustee decided upon a share incentive arrangement. This plan had the virtue from their viewpoint that it would not impact upon the interests they represented. The Corporation's Board of Directors and officers went along with the plan because it was the only course open to them if the Corporation was to be rescued and because the Corporation was in fact subject to the control of the Trustee and the Committee of Inspectors pursuant to the terms of the Proposal. Without these funds the Corporation would have gone into bankruptcy. A bankruptcy at that time would not have produced any dividend whatsoever for the Corporation's shareholders. (Refer also to Item No. 1(a))

SCHEDULE "C"

(a) Incentive Stock Option Plan:

Under an Incentive Stock Option Plan established by the Board of Directors of the Corporation on April 27, 1970, and approved by the shareholders on September 2, 1970, 150,000 shares of the Corporation have been set aside for options to officers, directors and staff. On September 9, 1970, options on 90,500 shares were granted at \$2.00 per share and on January 12, 1971, an option on 25,000 shares was granted at \$2.30 per share. None of these options were exercised. Subsequently, of these, options on 57,500 shares were cancelled due to termination of employment of the respective optionees. On February 27, 1973, the agreements covering the balance of the outstanding options were amended so that the exercise price would be 75 cents per share, and certain additional options were granted, leaving options on 87,000 shares currently outstanding as follows:

<u>Name of Optionee</u>	<u>Office Held</u>	<u>No. of Shares</u>	<u>Exercise Price/Share</u>	<u>Date of Grant or Amendment</u>	<u>Date of Expiry</u>
Wm. C. Durham	President & Director	35,000	75¢	Feb. 27/73	Sept. 9/80
F. D. Corman	Vice-Pres. & Director	15,000	75¢	Feb. 27/73	Sept. 9/80
W. M. Connor	Director	5,000	75¢	Feb. 27/73	Feb. 27/83
J. B. Sage	Sec.-Treas. & Director	10,000	75¢	Feb. 27/73	Sept. 9/80
A. G. Matthew	Controller & Director	10,000	75¢	Feb. 27/73	Feb. 27/83
M. D. McCallum	Key Secretarial Staff	2,000	75¢	Feb. 27/73	Sept. 9/80
K. R. North	Mine Manager	10,000	75¢	Feb. 27/73	Feb. 27/83
		87,000			

(b) Management Agreement Option:

Under a letter agreement dated July 8, 1970, ratified by the shareholders of Consolidated Durham Mines & Resources Limited on September 2, 1970, Spooner Mines and Oils Limited agreed to act as manager of the Corporation's Lake George antimony property located in the Province of New Brunswick. Under the terms of this agreement, Spooner is to provide management and arrange financing in consideration for an option on 750,000 shares of Consolidated Durham Mines & Resources Limited capital stock at \$1.00 per share, exercisable on or before July 8, 1975. In addition, after production has commenced, Spooner will provide operating management at cost plus 15% of net profits from the operations for a period of five years from commencement of production, renewable for an additional five years at Spooner's discretion.

(c) Loan Guarantee Agreement Option:

Under a further agreement dated November 15, 1971, between Her Majesty the Queen in Right of the Province of New Brunswick, Spooner Mines and Oils Limited and Consolidated Durham Mines & Resources Limited, relating to the guarantee by the Province of a bank loan to Consolidated Durham in the amount of \$900,000, the Corporation granted to the Province an option to purchase 200,000 shares of Consolidated Durham at a price of 60¢ per share, which option is exercisable until 3 months after termination of the Province's guarantee (i.e., March 31, 1974). The agreement of November 15, 1971 was amended on June 2, 1972 to include as a party to the agreement J. G. Touchie, Trustee in the matter of a proposal by Consolidated Durham to its creditors which was approved in accordance with the provisions of the Bankruptcy Act. (Refer also to Item No. 5)

d) Financial Agents Options:

By agreements dated January 26, 1971 and March 30, 1971, options to purchase shares of the capital stock of the Corporation were granted to Financial Agents as follows:

For services rendered to the Corporation during 1970:

<u>Financial Agent</u>	<u>Number of Optioned Shares</u>	<u>Price per Share</u>	<u>Expiry Date</u>
Gaston Coblentz	10,400	\$1.75	December 31, 1973
Adolf Lundin	14,000	\$1.75	December 31, 1973
Mitchell, Hutchins & Co. Incorporated	15,600	\$1.75	December 31, 1973
A. W. Applegath	10,000	\$1.75	December 31, 1973

For services to be rendered to the Corporation during 1971, 1972 and 1973:

<u>Financial Agent</u>	Total Number of Additional Shares	Number of Additional Shares Optioned in Each of 1971 1972 & 1973	Price per Share with Respect to 1971 Option	Price per Share with Respect to 1972 Option	Price per Share with Respect to 1973 Option
Gaston Coblentz	10,400	3,466	\$2.00	\$2.25	\$2.50
Adolf Lundin	14,000	4,666	\$2.00	\$2.25	\$2.50
Mitchell, Hutchins & Co. Incorporated	5,200	5,200	\$2.00	Cancelled	Cancelled
A. W. Applegath	10,000	3,333	\$2.00	\$2.25	\$2.50

The aforesaid options will expire respectively on December 31, 1974, 1975 and 1976. The options to Mitchell, Hutchins & Co. Incorporated for the years 1972 and 1973 were cancelled by the Corporation in accordance with the terms of the agreement.

Provision was made for an annual choice of monthly cash fees and/or commissions in lieu of options, if prior notice is provided to the Corporation as follows:

<u>Financial Agent</u>	<u>Amount of Monthly Cash Fee and/or Commission</u>
Gaston Coblentz	\$312
Adolf Lundin	\$420
A. W. Applegath	\$300

No such notice has been received to date.

SCHEDULE "D"

a) Incentive Stock Options:

Wm. C. Durham
40 Glen Road
Apartment No. 112
Toronto, Ontario

F. D. Corman
5090 Lakeshore Rd.
Burlington, Ontario

W. M. Connor
22 Great Oak Drive
Islington, Ontario

J. B. Sage
51 Winston Grove
Toronto, Ontario

A. G. Matthew
1649 Sherway Drive
Mississauga, Ontario

M. D. McCallum (nee Wark)
40 High Park Avenue
Apartment No. 1001
Toronto, Ontario

K. R. North
Lake George Mine
Prince William, N. B.

b) Management Agreement Optionee:

Spooner Mines and Oils Limited
Suite 607
80 Richmond Street West
Toronto, Ontario

c) Loan Guarantee Agreement Optionee:

Her Majesty the Queen in Right of the
Province of New Brunswick,
as represented by the Minister of Finance
Department of Finance
Centennial Building
Fredericton, New Brunswick

d) Financial Agent Optionees:

Gaston Coblenz
c/o Mitchell, Hutchins & Co. Incorporated
21 Rue Royale
Paris 8, France

Adolf Lundin
4 Chemin de Conches
Geneva, Switzerland

Mitchell, Hutchins & Co. Incorporated
1 Battery Park Plaza
New York, N.Y. 10004
U. S. A.

A. W. Applegath, Jr.
11 Adelaide Street West
Suite 200
Toronto, Ontario

»Financial Statements«

CONSOLIDATED DURHAM MINES & RESOURCES LIMITED
(Incorporated under the laws of the Province of Ontario)

BALANCE SHEET

as at January 31, 1973

(with comparative figures for the twelve months ended June 30, 1972)
(unaudited)

	January 31, 1973	June 30, 1972
	\$	\$
<u>ASSETS</u>		
Current:		
Bank	15,574	48,030
Inventory of concentrates at net realizable value	282,532	154,166
Accounts receivable	924	56,792
Prepaid expenses and deposits	20,512	26,358
	<u>319,542</u>	<u>285,346</u>
Investment in subsidiary, at nominal value	1	1
Mining properties	47,940	47,940
Deferred development	2,035,381	1,976,731
Fixed assets	<u>1,730,733</u>	<u>1,550,039</u>
	<u>\$4,133,597</u>	<u>\$3,860,057</u>
<u>LIABILITIES</u>		
Current:		
Bank loan	150,000	150,000
Special loan	250,000	
Advances received on concentrates produced	48,179	96,500
Accounts payable and accrued charges	170,554	<u>115,537</u>
	<u>618,733</u>	<u>362,037</u>
Deferred liabilities	1,899,618	1,881,149
Advances received	<u>25,000</u>	<u>25,000</u>
	<u>2,543,351</u>	<u>2,268,186</u>
<u>SHAREHOLDERS' EQUITY</u>		
Capital Stock		
Authorized		
5,000,000 shares N.P.V.*	150,000	150,000
Issued		
4,167,666 shares of N.P.V.	2,478,045	2,478,045
Contributed surplus	<u>52,000</u>	<u>52,000</u>
	<u>2,530,045</u>	<u>2,530,045</u>
Deduct deficit	<u>939,799</u>	<u>938,174</u>
	<u>1,590,246</u>	<u>1,591,871</u>
	<u>\$4,133,597</u>	<u>\$3,860,057</u>

*Effective February 8, 1973 the authorized Capital Stock was increased to 7,500,000 shares N.P.V.

Approved on behalf of the Board:

W.G. Duley Director
Barry Norman Director

Toronto, Ontario
February 21, 1973

CONSOLIDATED DURHAM MINES & RESOURCES LIMITED

EARNINGS STATEMENT

for the FOUR months ended January 31, 1973
(unaudited)

Revenue	\$762,449
Costs	
Production	\$405,807
Marketing	11,660
Post site	<u>106,804</u>
	<u>524,271</u>
Site operating profit	238,178
Other costs	
Head office administration	14,860
Trustee and legal	11,074
Interest	<u>62,380</u>
	<u>88,314</u>
Operating profit - to deferred development	\$149,864

STATEMENT OF DEFERRED DEVELOPMENT

for the SEVEN months ended January 31, 1973
(unaudited)

For the period July 1, 1972 - September 30, 1972	
Mine preparation and development expenditures	\$ 143,269
Head office administration and general expenditures	7,574
Interest, trustee and legal expenditures	<u>57,671</u>
	208,514
Less operating profit October 1, 1972/January 31, 1973	<u>149,864</u>
	58,650
Balance deferred June 30, 1972	<u>1,976,731</u>
Balance deferred January 31, 1973	\$2,035,381

Toronto, Ontario
February 21, 1973

CONSOLIDATED DURHAM MINES & RESOURCES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the SEVEN months ended January 31, 1973
(unaudited)

Source of funds:

Operating profit (October 1, 1972 - January 31, 1973)	\$149,864
Deferment of liabilities	<u>18,469</u>
	168,333

Application of funds:

Deferred mine development and other expenditures	208,514
Buildings, plant and equipment	180,694
Loss on disposal of fixed assets	<u>1,625</u>
	390,833

DECREASE IN WORKING CAPITAL

222,500

WORKING CAPITAL DEFICIENCY AT BEGINNING OF YEAR

76,691

WORKING CAPITAL DEFICIENCY AT JANUARY 31, 1973

6299,191

Approved on behalf of the Board:

W. C. Wallace Director

Bob Lomax Director

Toronto, Ontario
February 21, 1973

- * Of this amount 120,500 shares are held in escrow, and the Corporation has been advised that of the total number of shares registered in the name of Mr. V. N. Harbinson, 106,095 shares are not beneficially owned by him, directly or indirectly.

** The beneficial ownership of these shares is not known to the officers and directors of the Corporation.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The Officers and Directors of the Corporation do not know of any person whose shareholdings are large enough to materially affect control of the Corporation.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Corporation holds 825,000 shares of Parvus Mines Limited, 742,500 of which are escrowed shares. The original cost to the Corporation of \$82,500 (10¢ per share) has since been written down to a nominal value of \$1.00. The present market price for shares of Parvus Mines Limited is 15 cents to 25 cents on the over-the-counter market in Toronto.
18. Brief statement of any lawsuits pending or in process against company or its properties.	Not applicable.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	There are no other outstanding material contracts which have been entered into by this Corporation, other than its sales agency agreement dated May 14, 1971 and the related concentrates inventory financing agreement dated June 9, 1971, both with The British Metal Corporation (Canada) Limited.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. The shares of the Corporation are not in the course of primary distribution to the public.

CERTIFICATE OF THE COMPANY

DATED February 27, 1973

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"Wm. C. Durham."

"Dale Corman."

CORPORATE

SEAL

President

Vice-President

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

